ELBIT SYSTEMS' US SUBSIDIARY Kollsman, Awarded ID/IQ Contract Worth Up to $97 Million from U.S. Navy

Received Initial Delivery Orders Valued at $14 Million

Haifa, Israel, June 27, 2007 – Elbit Systems Ltd. (NASDAQ:ESLT) reported today that Kollsman, Inc. an Elbit Systems of America company, announced receipt of an Indefinite Delivery/Indefinite Quantity (ID/IQ) contract from the Naval Inventory Control Point-Philadelphia (NAVICP)/Naval Supply Systems Command (NAVSUP) for test, teardown, analysis and repair/modification of various Night Targeting System (NTS) Weapon Repairable Assemblies (WRAs) and System Repairable Assemblies (SRAs) in support of the AH-1 W Marine Corps Helicopter. The total ID/IQ contract value may run as high as $97 million over a five-year period. As part of this award Kollsman has received initial delivery orders valued at $14 million. Work will be mainly performed in Merrimack, New Hampshire and is expected to be completed in 2012.

“We are very pleased to be selected by the NAVICP/NAVSUP. This contract continues Kollsman’s important work supporting the Marine Corps helicopter mission readiness and demonstrates excellent relations with this depot legacy program”, stated Randy Moore, Kollsman’s Executive Vice President and General Manager.

About Kollsman, Inc.
Kollsman, Inc. is a global development, manufacturing and support organization providing advanced electro-optical and avionics systems to the commercial aerospace, defense and homeland security markets. The company’s expertise includes enhanced vision systems, flight displays, head-up displays, thermal imaging systems, fire control systems and advanced security and surveillance solutions.

About Elbit Systems Ltd.

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance ("C4ISR"), advanced electro-optic and space technologies, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and equipment. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

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